



PUBLIC NOTICE

Federal Communications Commission
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Release Date: September 28, 2009

**COMMENT SOUGHT ON REQUEST FOR UNIVERSAL SERVICE FUND POLICY
GUIDANCE REQUESTED BY THE
UNIVERSAL SERVICE ADMINISTRATIVE COMPANY**

WC Docket Nos. 05-337, 06-122
CC Docket No. 96-45

Comment Date: October 28, 2009

Reply Comment Date: November 12, 2009

On August 19 and August 21, 2009, the Universal Service Administrative Company (USAC) requested guidance from the Federal Communications Commission on several policy issues related to the universal service high-cost support mechanism and contribution methodology.¹

USAC seeks clarification as to whether eligible telecommunications carriers (ETCs) are required to separately list each supported service enumerated in section 54.101 of the Commission's rules when advertising the availability of such services and the associated charges for each service.² In addition, USAC requests guidelines for what remedial actions, if any, should be initiated against carriers that did not maintain documentation for periods prior to the establishment of high-cost program documentation rules.³ USAC further requests clarification on whether income taxes attributable to S-corporation shareholders as a result of their ownership of the corporation's equity are includable in the carrier's revenue requirement, and therefore, recoverable through universal service support.⁴ Finally, USAC requests written guidance as to whether the AT&T and Alltel company-specific high-cost cap orders should be implemented for the time periods each order was in effect, prior to the effective date of the industry-wide interim cap on competitive ETC high-cost support.⁵

¹ Letter from Richard A. Belden, Chief Operating Officer, USAC, to Julie Veach, Acting Chief, Wireline Competition Bureau, Federal Communications Commission, WC Docket No. 05-337 (filed Aug. 19, 2009) (USAC Aug. 19, 2009 Letter); Letter from Richard A. Belden, Chief Operating Officer, USAC, to Julie Veach, Acting Chief, Wireline Competition Bureau, Federal Communications Commission, WC Docket Nos. 05-337; 06-122 (filed Aug. 21, 2009) (USAC Aug. 21, 2009 Letter).

² See USAC Aug. 19, 2009 Letter; see also 47 C.F.R. § 54.201(d)(2).

³ USAC Aug. 19, 2009 Letter at 3.

⁴ *Id.* at 4.

⁵ *Id.* at 5; see also *High-Cost Universal Service Support, Federal-State Joint Board on Universal Service*, WC Docket No. 05-337, CC Docket No. 96-45, Order, 23 FCC Rcd 8834 (2008) (*Interim Cap Order*); *Applications of*

Concerning universal service fund contribution methodology, USAC requests guidance on three issues.⁶ First, USAC requests clarification of the reporting requirements for prepaid calling card revenue.⁷ Second, USAC seeks guidance on the classification of Asynchronous Transfer Mode (ATM) and Frame Relay revenue.⁸ Third, USAC requests direction on the classification of Virtual Private Network and Dedicated Internet Protocol telecommunications services.⁹

Interested parties may file **comments on or before October 28, 2009**, and **reply comments on or before November 12, 2009**. All pleadings are to reference **WC Docket Nos. 05-337 and 06-122 and CC Docket No. 96-45**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS), or by filing paper copies.¹⁰

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <http://www.fcc.gov/cgb/ecfs/>. Filers should follow the instructions provided on the website for submitting comments.
- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.
- Paper Filers: Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

ALLTEL Corporation, Transferor, and Atlantis Holdings LLC, Transferee For Consent to Transfer Control of Licenses, Leases and Authorizations, WT Docket No. 07-185, Memorandum Opinion and Order, 22 FCC Rcd 19517 (2007) (*ALLTEL-Atlantis Order*); *Applications of AT&T Inc. and Dobson Communications For Consent to Transfer Control of Licenses and Authorizations File Nos. 003092368 et al.*, WT Docket No. 07-153, Memorandum Opinion and Order, 22 FCC Rcd 20295 (2007) (*AT&T-Dobson Order*).

⁶ USAC Aug. 21, 2009 Letter.

⁷ *Id.*

⁸ *Id.* at 2.

⁹ *Id.* at 2-3.

¹⁰ See *Electronic Filing of Documents in Rulemaking Proceedings*, GC Docket No. 97-113, Report and Order, 13 FCC Rcd 11322 (1998).

The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, S.W., Washington D.C. 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at (202) 418-0530 (voice), (202) 418-0432 (tty).

In addition, one copy of each pleading must be sent to each of the following:

- (1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, www.bcpiweb.com; phone: (202) 488-5300 fax: (202) 488-5563;
- (2) Cindy Spiers, Telecommunications Access Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-B432, Washington, D.C. 20554; e-mail: Cindy.Spiers@fcc.gov; and
- (3) Antoinette Stevens, Telecommunications Access Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-B521, Washington, D.C. 20554; e-mail: Antoinette.Stevens@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail www.bcpiweb.com.

This matter shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules.¹¹ Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentations must contain summaries of the substance of the presentation and not merely a listing of the subjects discussed. More than a one or two sentence description of the views and arguments presented generally is required.¹² Other rules pertaining to oral and written *ex parte* presentations in permit-but-disclose proceedings are set forth in section 1.1206(b) of the Commission's rules.¹³

For further information, please contact Cindy Spiers, Telecommunications Access Policy Division, Wireline Competition Bureau at (202) 418-7400 or TTY (202) 418-0484.

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¹¹ 47 C.F.R. §§ 1.1200 *et seq.*

¹² *See* 47 C.F.R. § 1.1206(b)(2).

¹³ 47 C.F.R. § 1.1206(b).